SAP/AIMS Budget Performance Activity Repor_

It's 10 o'clock, do you know where your money is?

The SAP/AIMS Budget Performance Activity Report

What's Here…

- Introduction
- Hierarchies, Groups, Etc.
- How To Get There (Reports)
- Budget Performance Activity Report
- Financial Analysis
- Drilling
- Additional Information
- That's all…

Introduction,
Page 1 of 7

- This *training nugget* shows how to get and use the Budget Performance Activity report (New) to determine financial performance of a Program/ business
- Managers typically use the following SAP AIMS financial reports to assess how the business is performing:
  - Budget Performance Activity Report
  - Plan/Actual Departmental Operations
  - Summary Operations Statement
  - Executive Summary Report

Introduction,
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- The Budget Performance Activity Report (New) combines budget data with a traditional profit and loss (P&L) statement
  - It compares budget to actual
  - It lists performance as variance percentages
  - And it displays prior year actuals

Introduction,
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- It is only by comparing income and expenses to a budget and to prior periods that you can identify trends and draw conclusions about how you are doing
- In SAP AIMS, the budget is referred to as “Plan”
  - Forecasting and Budget is covered in the NAF Budget Processes *training nugget*

Introduction,
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- **Caution –** formulating business decisions based on financial performance compared to Plan (budget) will only be effective if the Plan is *realistic*, *accurate* and *achievable* for your Program and/or Cost Center(s)
- Corrective actions become necessary when financial trends vary to the point that a Program's/Cost Center's activities, events, products or services appear at risk

Introduction,
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- When identified, budget performance variances require validation:
  - Sometimes the variance will be an accounting (posting) error
  - Sometimes variances are valid, but were the result of unanticipated, but temporary external influences
  - Valid, sustained variances call for business examination, problem-solving, planning, and corrective action
- The Financial Decisions *training nugget* describes potential management actions to correct sustained, unacceptable financial trends

Introduction,
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- Givens:
  - Each F&FR Program has a cost
  - Each has one or more funding streams
  - Each *should* have worth / deliver value
  - Each program's financials is "a" measure of performance, but not the only measure

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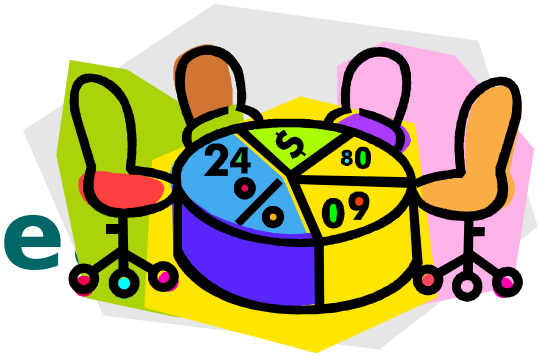
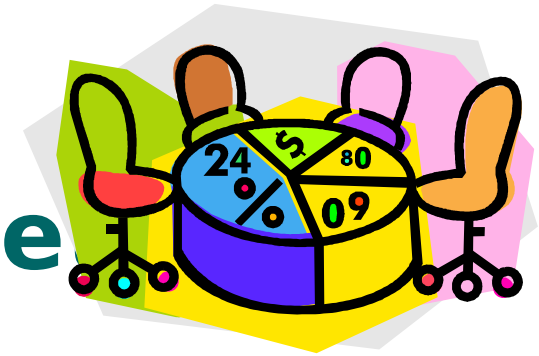
- Other measures of worth/value include, but are not limited to:
  - Fulfilling Federal mandates
  - Contributing to individual, unit and organizational and readiness
  - Contributing to recruitment and retention
  - Improving fitness and health
  - Reducing accidents, injuries, substance and alcohol abuse, spousal and family abuse, etc.
  - Improving life choices and family/life practices
  - Improving customer satisfaction / reducing dissatisfaction

Hierarchies, Groups, e



- Organization and configuration of the SAP AIMS accounting system is different region-to- region; installation-to-installation; and business-to-business
- Company Codes are the highest level of the SAP AIMS hierarchy
- During roll-out, the regions and installations decided how to organize “their” accounting system in SAP AIMS

Hierarchies, Groups, e



- The example on the next page illustrates:
  - A Fund (NSA Mid South)
    - NSA Mid South's 7 Groups
      - The 2 individual Cost Center Groups in Navy Mid South's Golf Course Division (golf course & restaurant)
        - The 8 Individual AIMS Cost Centers in the Navy Mid South, Glen Eagle Golf Program
- As you may imagine, there are significantly different accounting hierarchies: business-to-business; installation-to-installation; and region-to-region

Hierarchies, Groups, e
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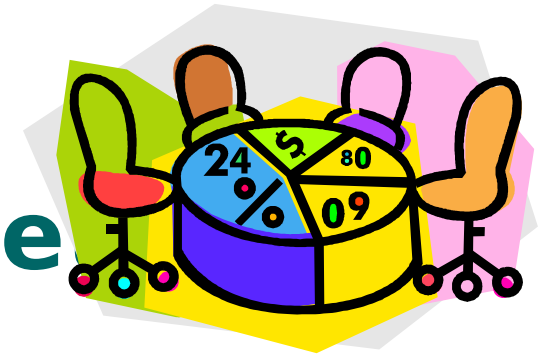
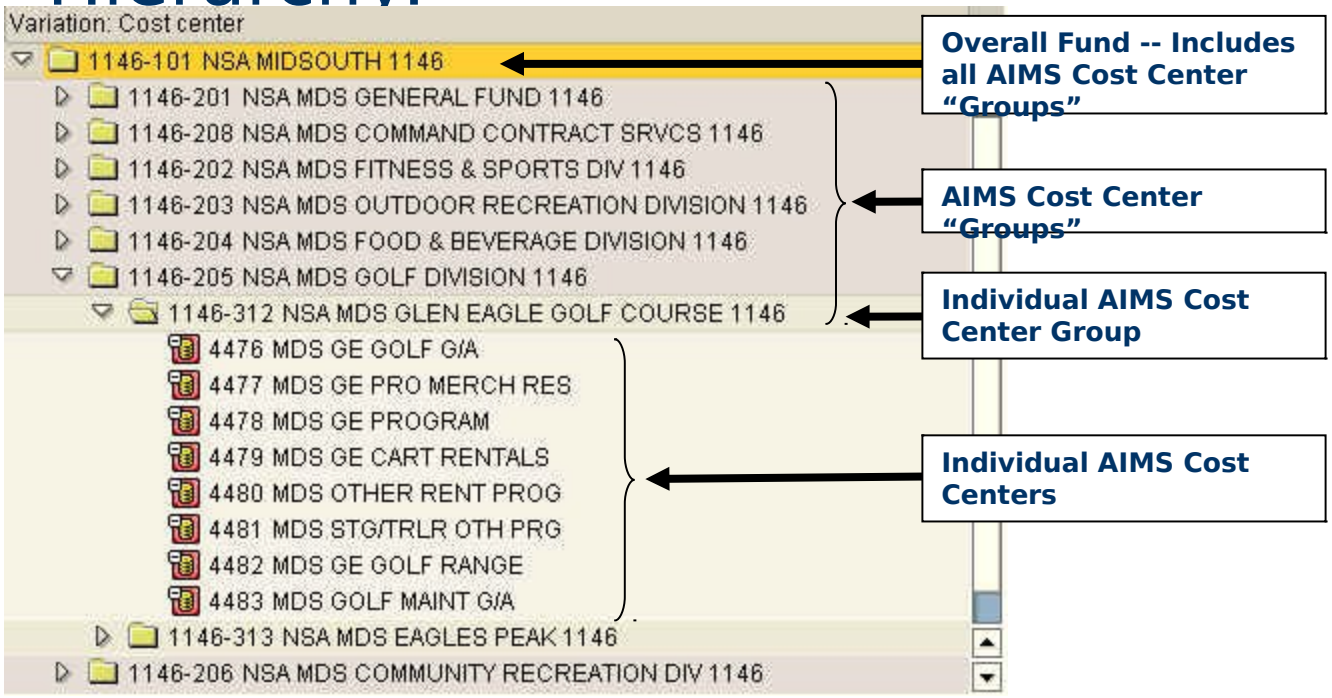


- A typical Fund-Group-Cost Center Hierarchy:


Variation: Cost center
1146-101 NSA MIDSOUTH 1146
1146-201 NSA MDS GENERAL FUND 1146
1146-208 NSA MDS COMMAND CONTRACT SRVCS 1146
1146-202 NSA MDS FITNESS & SPORTS DIV 1146
1146-203 NSA MDS OUTDOOR RECREATION DIVISION 1146
1146-204 NSA MDS FOOD & BEVERAGE DIVISION 1146
1146-205 NSA MDS GOLF DIVISION 1146
1146-312 NSA MDS GLEN EAGLE GOLF COURSE 1146
4476 MDS GE GOLF G/A
4477 MDS GE PRO MERCH RES
4478 MDS GE PROGRAM
4479 MDS GE CART RENTALS
4480 MDS OTHER RENT PROG
4481 MDS STG/TRLR OTH PRG
4482 MDS GE GOLF RANGE
4483 MDS GOLF MAINT G/A
1146-313 NSA MDS EAGLES PEAK 1146
1146-206 NSA MDS COMMUNITY RECREATION DIV 1146
Overall Fund -- Includes all AIMS Cost Center "Groups"
AIMS Cost Center "Groups"
Individual AIMS Cost Center Group
Individual AIMS Cost Centers

Hierarchies, Groups, e
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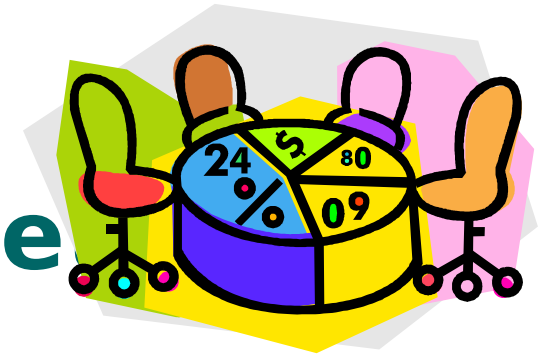
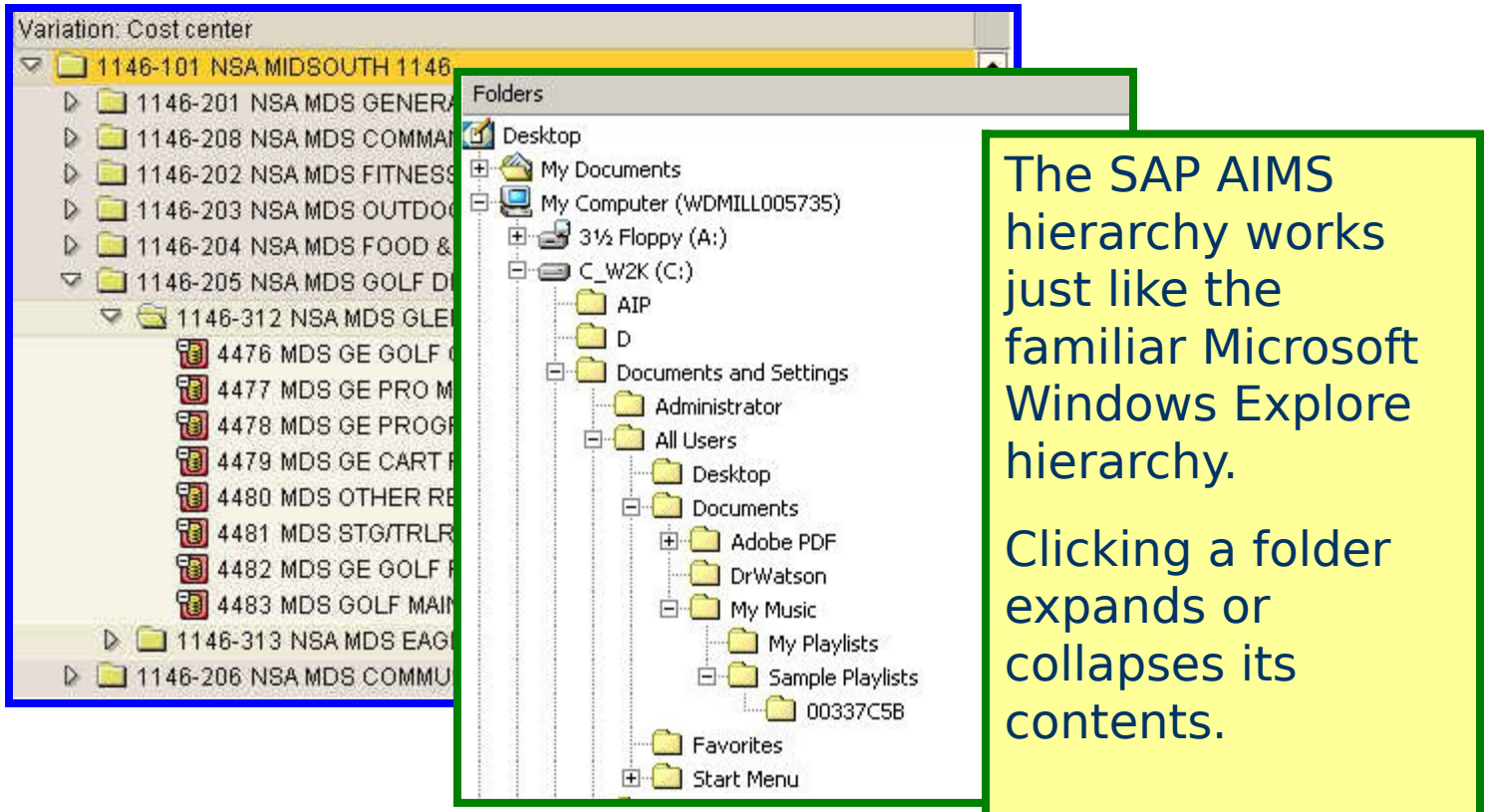


- SAP AIMS Hierarchies:



The SAP AIMS hierarchy works just like the familiar Microsoft Windows Explore hierarchy.

Clicking a folder expands or collapses its contents.

How to Get There,
Page 1 of 8

To get to a report:

- The first step in using the SAP AIMS Budget Activity Report is accessing the report and obtaining applicable report data
- The next few slides illustrate “a” way to get reports
  - Most likely, your local SAP AIMS configuration will look different
  - The SAP Help Desk at Com: (901) 874-6500; DSN 882-6500 can help you

How to Get There,
Page 2 of 8

- To start, double-click the SAP Icon on your desktop

The SAP Log On Screen, shown on the next slide, will appear.

How to Get There,
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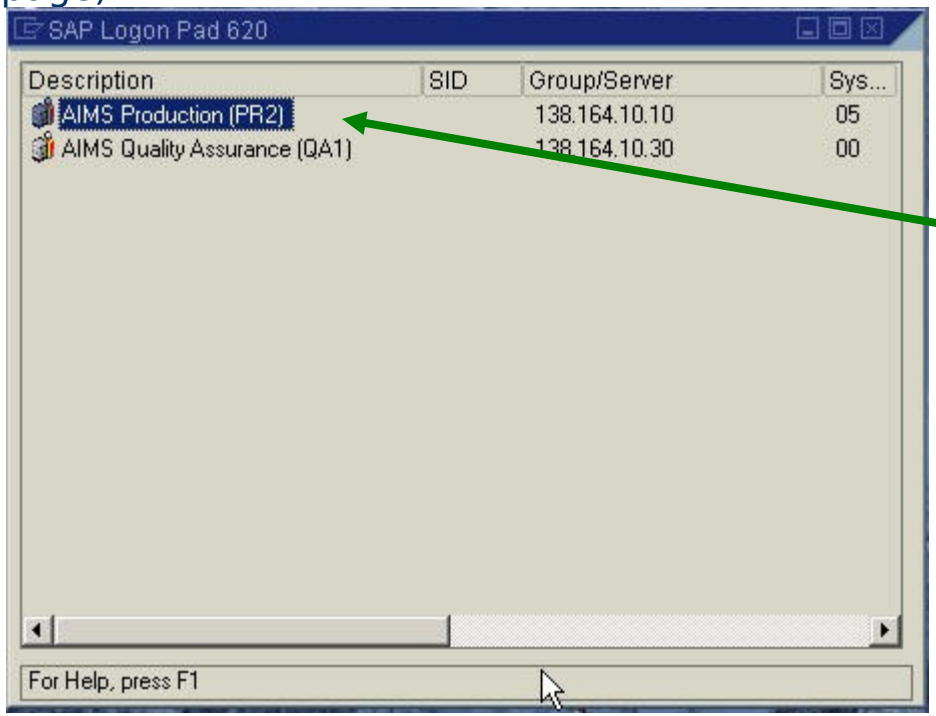
- Double-click the applicable client (see notes page)



In this example, AIMS Production (PR2) is highlighted, then double-clicked.

The SAP R/3 screen, shown on the next slide should appear.

How to Get There,
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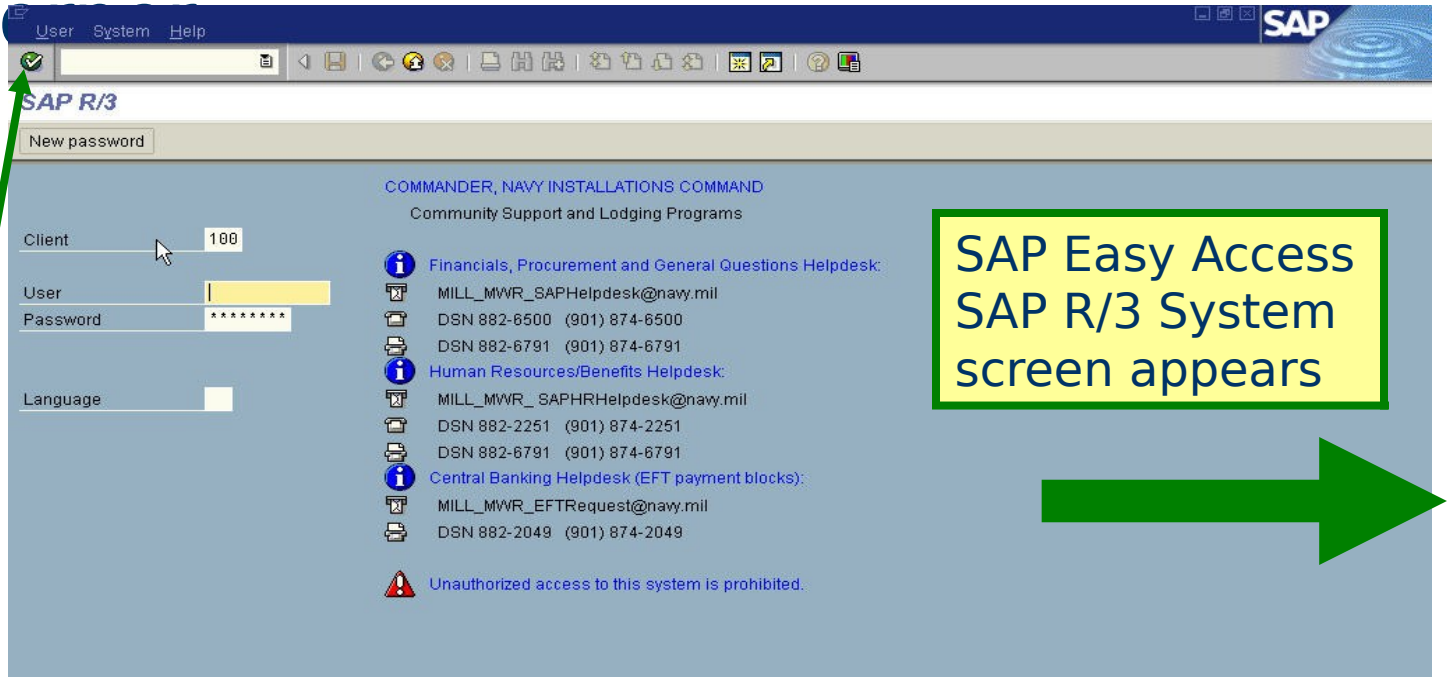
- Enter your user name and password then click the check mark icon in the upper L/H c



After entering your user name and password, click the Enter icon

SAP Easy Access SAP R/3 System screen appears

How to Get There,
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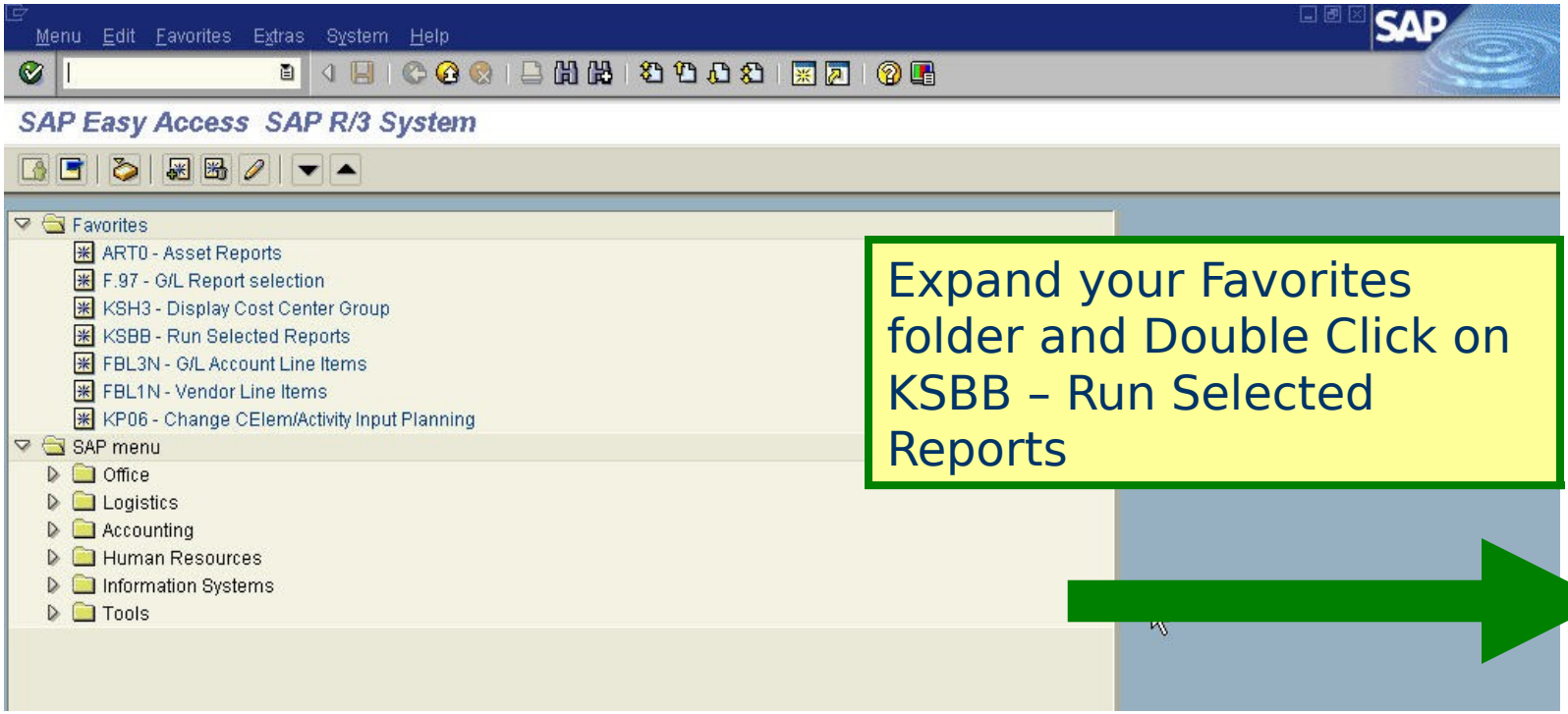
- Expand “Favorites” looking for KSBB



How to Get There,
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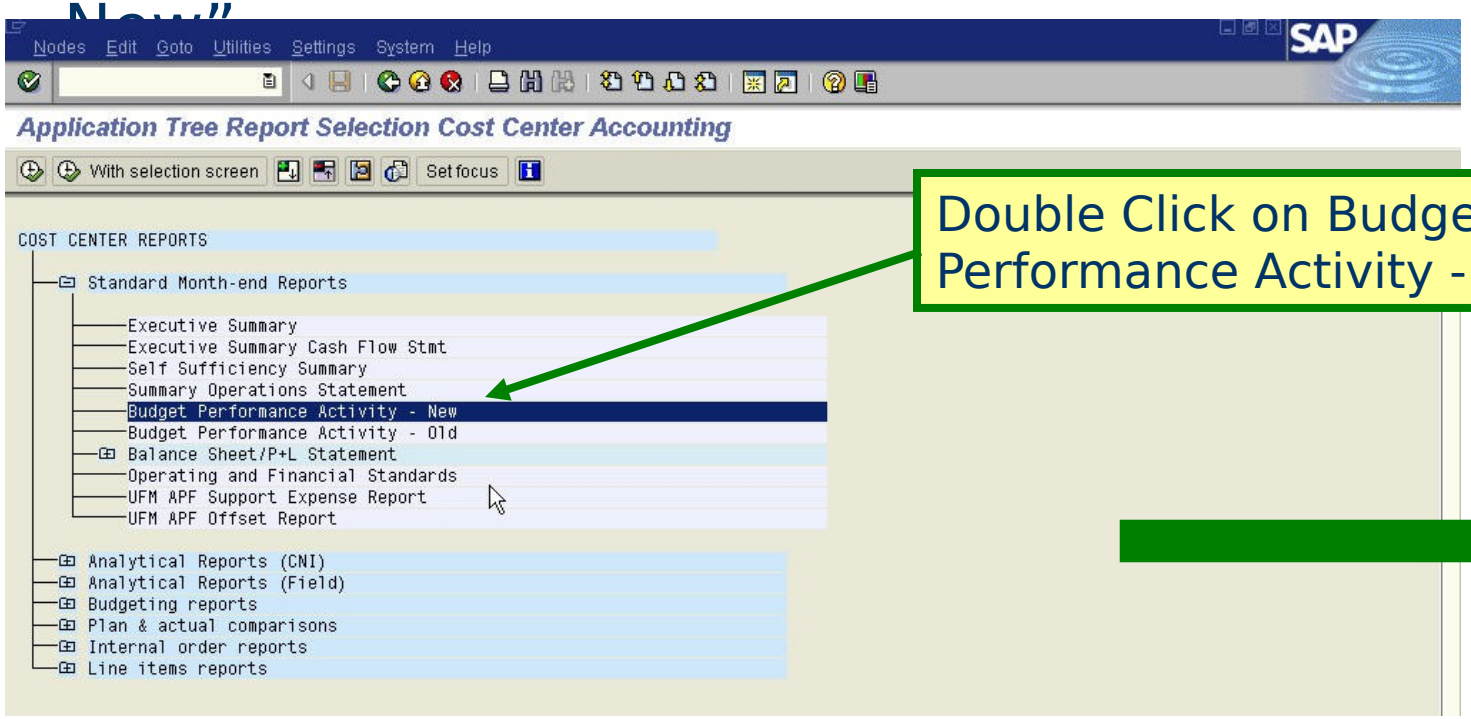
- Expand “Standard Month End Reports” and double click, “Budget Performance Activity – New”



How to Get There,
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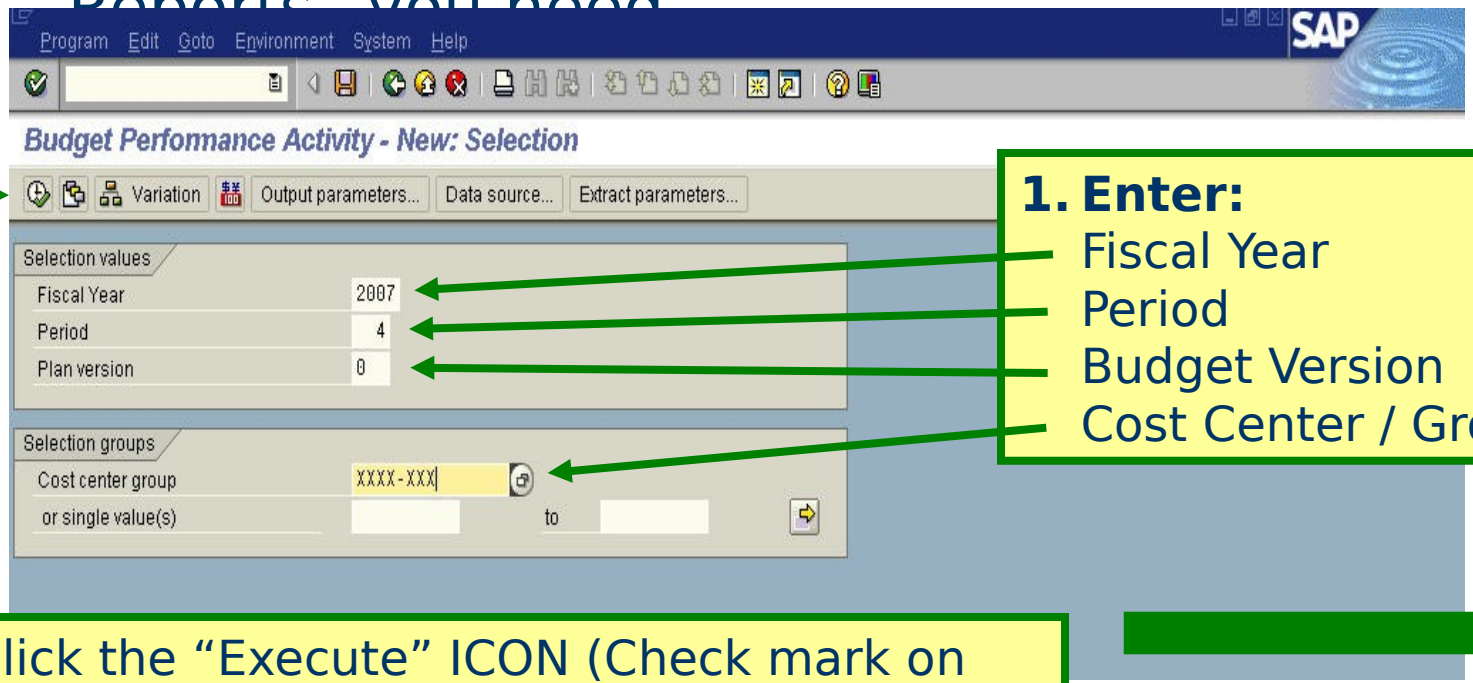
- Enter “Selection Values” and “Selection Groups” to get the specific “Standard Month End Reports” you need



1. Enter:
- Fiscal Year
- Period
- Budget Version
- Cost Center / Group

2. Click the “Execute” ICON (Check mark on clock)

How to Get There,
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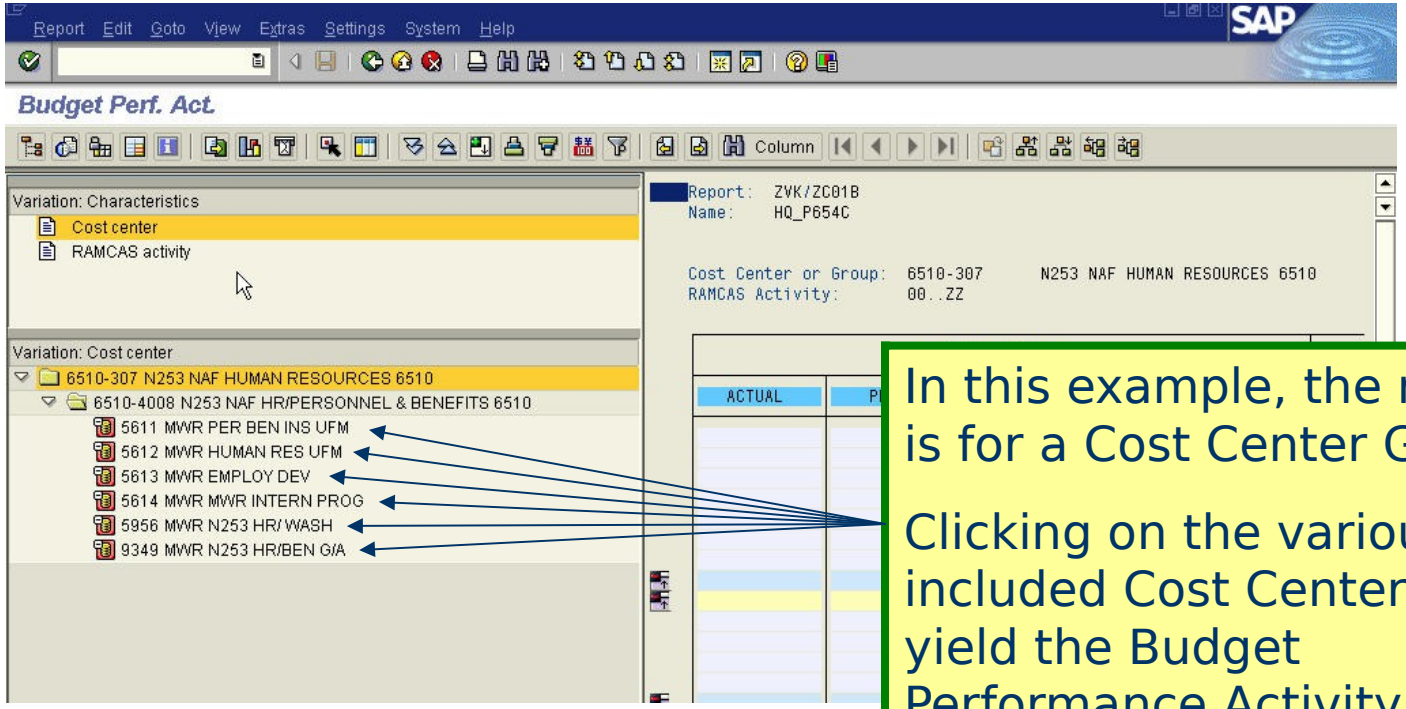
- Budget Performance Activity – New


Report Edit Goto View Extras Settings System Help
SAP
Budget Perf. Act.
Column
Variation: Characteristics
Cost center
RAMCAS activity
Report: ZVK/ZC01B
Name: HQ_P654C
Cost Center or Group: 6510-307 N253 NAF HUMAN RESOURCES 6510
RAMCAS Activity: 00..ZZ
Variation: Cost center
6510-307 N253 NAF HUMAN RESOURCES 6510
6510-4008 N253 NAF HR/PERSONNEL & BENEFITS 6510
5611 MWR PER BEN INS UFM
5612 MWR HUMAN RES UFM
5613 MWR EMPLOY DEV
5614 MWR MWR INTERN PROG
5956 MWR N253 HR/ WASH
9349 MWR N253 HR/BEN G/A
ACTUAL

In this example, the report is for a Cost Center Group.

Clicking on the various included Cost Centers will yield the Budget Performance Activity for the one selected.

Budget Performance Activity Report, Page 1 of 11

- The Budget Performance Activity Report (NEW) looks like a spreadsheet
- Three major information groups are incorporated:
  - The left side of report is Current Month information
  - The middle is a list of accounts (elements) by SAP AIMS Chart of Accounts numbers and short titles
  - The right side of the report is Current Year-To-Date information

Budget Performance Activity Report, Page 2 of 11

- The Budget Performance Activity Report contains the following key information:
  - The performance of all accounts of a Cost Center
  - How income and expenses are performing against current month and YTD Plan (budget) and to the prior year's actuals for current month and YTD
  - How a Cost Center is performing, overall. Is it showing a net profit or loss? Is it attaining its Self Sufficiency goals?

Budget Performance Activity Report, Page 3 of 11

- Key information, cont:
  - Account elements that need further review
  - Indicators where you may need to improve profitability, sales or income
  - Indicators where you may need to lower cost of goods sold, sales, labor, and other expenses
  - Where you may need to revise the Plan (budget)

Budget Performance Activity Report, Page 4 of 11

- On the following pages, you will see each element and feature of the report
- After we have described and illustrated the report, we will demonstrate how to use it to understand the financial performance of a Cost Center
- The review and analyze processes discussed in this report generally applies to most SAP AIMS reports

Budget Performance Activity Report, Page 5 of 12

Report Header

Report: ZVK/ZC01B — BUDGET PERFORMANCE ACTIVITY REPORT — Page: 1 of 4
Name: HQ Johnson — Period 9 Ended June FY 2003 — Date: 7/12/2003

Cost Center or Group: 1287-101 NAS Blue Sky
RAMCAS Activity: 00..ZZ

CURRENT MONTH						CURRENT YEAR TO DATE				
ACTUAL	PLAN	VAR	VAR %	PRIOR YR	REVENUE ELEMENTS	ACTUAL	PLAN	VAR	VAR %	PRIOR YTD
508,235	450,730	57,505	13	563,387	301000 RESALE REVENUE	3,475,383	4,013,383	538,000-	13-	4,146,096
154,471	132,015	22,456	17	70,929	302000 CATERING RESALE REVENUE	913,326	1,148,485	235,159-	20-	711,344
11,190-	5,351-	5,83[illegible]	[illegible]	9,636-	303000 SALES DISCOUNTS	85,541-	51,809-	33,732-	65	[illegible],612-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	* R[illegible] Re[illegible] R[illegible]	[illegible]3,16[illegible]	[illegible]0,059	[illegible]391-	[illegible]	[illegible]

Current Month Data

SAP – AIMS Account (element) numbers and Short Titles

Current Year to Date Data

The header information illustrated above appears on each page of a the Budget Performance Activity report.

In this example, the printout is four pages in length. The report header shows the name of the report, who opened / printed the report, the Group or Cost Center by code and name, the period and Fiscal Year (FY) of the report, number of report pages, and the date report opened/printed.

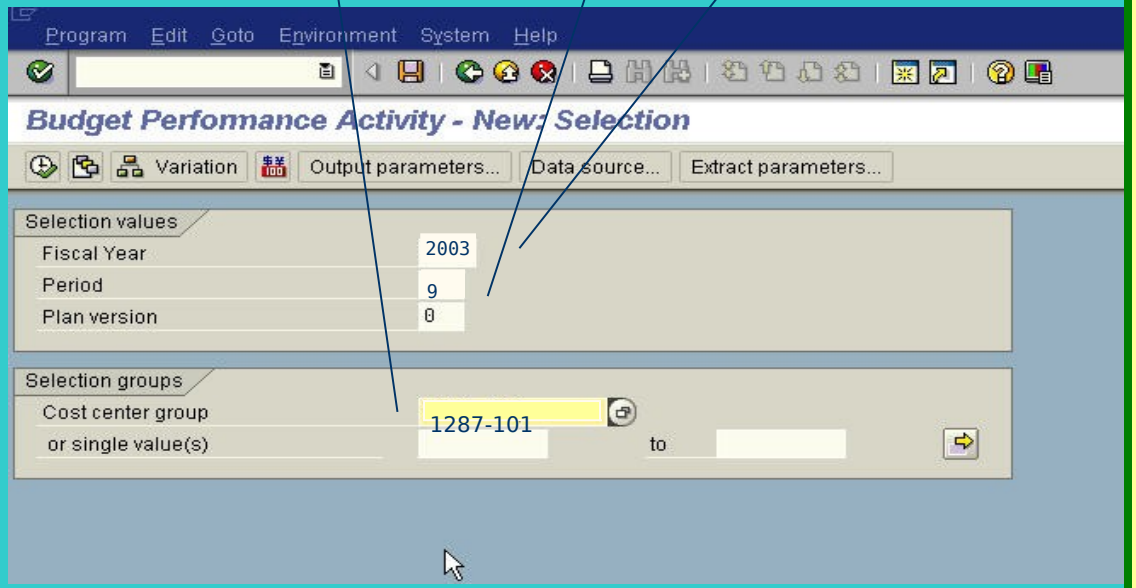
Budget Performance Activity Report, Page 6 of 12

Report Header

Report: ZVK/ZC01B — BUDGET PERFORMANCE ACTIVITY REPORT — Page: 1 of 4
Name: HQ Johnson — Period 9 Ended June FY 2003 — Date: 7/12/2003

Cost Center or Group: 1287-101 NAS Blue Sky
RAMCAS Activity: 00ZZ

CURRENT MONTH ACTUAL	PLAN	VAR	VAR %	PRIOR YR	REVENUE ELEMENTS	CURRENT YEAR TO DATE ACTUAL	PLAN	VAR	VAR %	PRIOR YTD
508,235	450,730	57,505	13	563,387	301000 RESALE REVENUE	3,475,383	4,013,383	538,000-	13-	4,146,096
154,471	132,015	22,456	17	70,929	302000 CATERING RESALE REVENUE					
11,190-	5,351-	5,839	109	9,636-	303000 SALES DISCOUNTS					



The selection values you enter on the *Budget Performance Activity – New Selection* panel determines what data SAP AIMS gathers and presents.

Your log-in places your name or code on the report.

The Cost Center or Group code places the Installation name on the report.

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Report Content ~ Revenue Elements ~

Report: ZVK/ZC01B — BUDGET PERFORMANCE ACTIVITY REPORT — Page: 1 of 4
Name: HQ Johnson — Period 9 Ended June FY 2003 — Date: 7/12/2003

Cost Center or Group: 1287-101 NAS Blue Sky
RAMCAS Activity: 00..ZZ

CURRENT MONTH						CURRENT YEAR TO DATE				
ACTUAL	PLAN	VAR	VAR %	PRIOR YR	REVENUE ELEMENTS	ACTUAL	PLAN	VAR	VAR %	PRIOR YTD
					* Resale Revenue					
					* Program Revenue					
					* Commissions					
					* Other Revenue					
					** Operating Revenue					
					* NEX Distribution - Direct					
					* NEX DIV FDSERV/Concession					
					** NEX Dividends					
					* Extra-Ordinary Revenue Items					
					** Extra-Ordinary Income					
					*** REVENUE					

Things to Remember:

(1) SAP AIMS typically uses the term ***elements*** instead of ***accounts***.

(2) Only the Revenue and Cost elements used by your Cost Center will show on your statements/reports.

(3) Revenue and Cost ***Categories*** are preceded by an asterisk (*), indicating that the Revenue or Cost element is a subtotal of the elements listed immediately above it.

(4) The double-asterisk rows (**) are ***category totals*** of the categories preceded by a single-asterisk (*).

(5) A triple-asterisk row (***) is the total of the preceding double-asterisk (**) rows.

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Report Content ~ Revenue Elements ~

Report: ZVK/ZC01B — BUDGET PERFORMANCE ACTIVITY REPORT — Page: 1 of 4
Name: HQ Johnson — Period 9 Ended June FY 2003 — Date: 7/12/2003

Cost Center or Group: 1287-101 NAS Blue Sky
RAMCAS Activity: 00..ZZ

CURRENT MONTH ACTUAL	PLAN	VAR	VAR %	PRIOR YR	REVENUE ELEMENTS
					* Resale Revenue
					* Program Revenue
					* Commissions
					* Other Revenue
					** Operating Revenue
					* NEX Distribution - Direct
					* NEX DIV FDSERV/Concession
					** NEX Dividends
					* Extra-Ordinary Revenue Items
					** Extra-Ordinary Income
					*** REVENUE

4,623-		4,623-			503000 OTH SALES DISCOUNT P
904,739	933,340	28,601-	3-	837,612	* Program Revenue
					591000 LEISURE TRAVEL COMMISSIONS
5,232	11,977	6,745-	56-	9,768	592000 AMUSE/VEND MACH
66,096	62,750	3,346	5	58,412	593000 RECYCLING COMMISSIONS
1,963	4,800	2,837-	59-	10,397	594000 OTHER COMMISSIONS
73,292	79,527	6,236-	8-	78,577	* Commissions
22,766	26,667	3,901-	15-	59,481	531000 COMMON SUPPORT SERVICES
4,022	3,200	822	26	17,447	532000 DUES
1,250	375	875	233	76,752	562000 C F OPERATING GRANTS
	16,667	16,667-	100-		563000 ECHELON OPERATING GRANTS
66,932	51,184	15,748	31	71,033	569000 OTHER REVENUE
	458	458-	100-		569001 ADVERTISING REVENUE
50	292	242-	83-	4,700	571000 COMM SPONSORSHIP
95,020	98,842	3,822-	4-	229,412	* Other Revenue

This example shows where some of the typical revenue elements are situated on a statement between the categories that subtotal and total **Revenue**.

Account Elements in this example that comprise the Commissions Sub Total include: 591000, 592000, 593000, 594000.

Budget Performance Activity Report, Page 9 of 12

Report Content ~ Cost Elements ~

Report: ZVK/ZC01B	BUDGET PERFORMANCE ACTIVITY REPORT	Page: 2 of 4
Name: HQ Johnson	Period 9 Ended June FY 2003	Date: 7/12/2003

Cost Center or Group: 1287-101 NAS Blue Sky
RAMCAS Activity: 00..ZZ

CURRENT MONTH						CURRENT YEAR TO DATE				
ACTUAL	PLAN	VAR	VAR %	PRIOR YR	COST ELEMENTS	ACTUAL	PLAN	VAR	VAR %	PRIOR YTD
					* Cost of Goods Sold * Salaries & Benefits * Supplies * Depreciation-Local * Depreciation-Cen Funded F/A * Maintenance * Utilities * Advertising & Promotions * Awards & Prizes * Alloc Empl Benefits/Ins Cost * Other Expense * Total USA Exp Offset ** Operating expenses * Extra-Ordinary Expense Items ** Extra-Ordinary Expenses					
					*** EXPENSE					
					* PROFIT / LOSS * **SELF SUFFICIENCY %**					

As in previous slides, this one shows the SAP AIMS "**Cost**" Elements that function to sub-total and Total costs. These elements are preceded by 1,2, or 3 asterisks. This example also shows the Budget Performance Activity Report "bottom lines": (*) **Profit / Loss** and (*) **Self Sufficiency %**

Budget Performance Activity Report, Page 10 of 12

Report Content ~ Cost Elements ~

92,062	92,064	1	0	87,448		**621000 EMPLOYER'S SHARE OF FICA**	810,038	805,358	4,681-	1-	800,284
48,010	54,006	5,996	11	46,563		**622000 ANNUAL LEAVE EXPENSE**	464,669	488,236	23,567	5	452,055
23,032		23,032-		26,748		**623000 SICK LEAVE EXPENSE**	222,146		222,146-		206,799
2,797		2,797-				**626000 EMPLOYEE BENEFITS-OTHER**	5,850		5,850-		5,973
1,328,434	1,380,724	52,290	4	1,277,976	*	Salaries & Benefits	11,536,387	11,875,122	338,735	3	11,356,800
6,124-	9,949	16,073	162	17,472		**686000 MINOR PROPERTY**	99,602	134,632	35,030	26	199,141
1,040	504	536-	106-	3,051		**687000 SMALLWARES**	8,491	4,239	4,252-	100-	27,443
171,480	184,590	13,110	7	200,058		**701000 SUPPLIES**	1,361,344	1,703,263	341,920	20	2,022,890
166,397	195,044	28,647	15	220,580	*	Supplies	1,469,436	1,842,134	372,698	20	2,249,474
17,963	16,082	1,881-	12-	20,570		**761000 DEPR EXP-VEHICLES**	165,730	144,738	20,992-	15-	174,882
45,392	41,500	3,893-	9-	49,865		**763000 DEPR EXP-F.F.&E.**	410,281	373,262	37,019-	10-	419,749
2,932	3,408	476	14	2,979		**765000 DEPR EXP-BLDG & FAC**	26,766	30,675	3,909	13	26,813
32,127	35,000	2,873	8	32,880		**767000 DEPR EXP-BLDG IMP**	275,872	315,000	39,128	12	303,428
98,414	95,990	2,424-	3-	106,294	*	Depreciation-Local	878,649	863,675	14,974-	2-	924,872
46,320	5,300	41,020-	774-	5,150		**764000 MWR CF DEPR F F & E**	318,031	47,700	270,331-	567-	41,920
44,743	38,200	6,543-	17-	38,170		**766000 MWR CF DEPR BLDGS**	394,101	343,800	50,301-	15-	343,529
10,358	7,800	2,558-	33-	8,033		**768000 MWR CF DEPR BLDG IMP**	93,219	70,200	23,019-	33-	64,751
101,421	51,300	50,121-	98-	51,353	*	Depreciation-Cen Funded F/A	805,352	461,700	343,652-	74-	450,199
5,348	5,447	99	2	1,904		**681000 REPAIRS & MAINT-VEH**	30,905	49,797	18,892	38	23,600
5,358	16,177	10,819	67	12,741		**683000 REPAIRS & MAINT-FF&E**	128,217	149,019	20,802	14	165,101

This slide shows some of the specific **Cost** Elements found on a Budget Performance Activity Report.

For example, on this statement the Sub Total * Supplies is comprised of cost elements 686000 Minor Property, 687000 Smallwares, and 701000 Supplies.

Working with the business office and management, each F&FR Program (activity) determines which revenue elements and cost elements are applicable to their financial operations and include these in their budget (Plan) which reflects the accounting elements in the various SAP AIMS financial reports.

Budget Performance Activity Report, Page 11 of 12

Report Content
Revenue, Cost, P&L, and Self Sufficiency

Report: ZVK/ZC01B — BUDGET PERFORMANCE ACTIVITY REPORT — Page: 1 of 4
Name: HQ_Johnson — Period 9 Ended June FY 2003 — Date: 7/12/2003

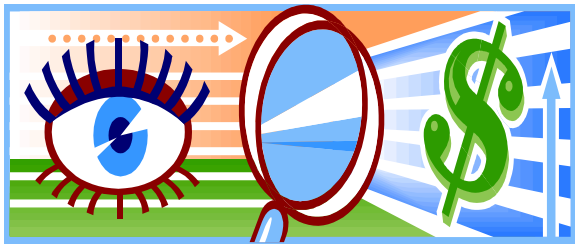
Cost Center or Group: 1287-101 NAS Blue Sky
RAMCAS Activity: 00..ZZ

CURRENT MONTH ACTUAL	PLAN	VAR	VAR %	PRIOR YR	REVENUE ELEMENTS	CURRENT YEAR TO DATE ACTUAL	PLAN	VAR	VAR %	PRIOR YTD
					* Resale Revenue					
					* Program Revenue					
					* Commissions					
					* Other Revenue					
					** Operating Revenue					
					* NEX Distribution - Direct					
					* NEX DIV FDSERV/Concession					
					** NEX Dividends					
					* Extra-Ordinary Revenue Items					
					** Extra-Ordinary Income					
					*** REVENUE					
					* Cost of Goods Sold					
					* Salaries & Benefits					
					* Supplies					
					* Depreciation-Local					
					* Depreciation-Cen Funded F/A					
					* Maintenance					
					* Entertainment					
					* Contractual					
					* Utilities					
					* Advertising & Promotions					
					* Awards & Prizes					
					* Alloc Empl Benefits/Ins Cost					
					* Other Expense					
					* Total USA Exp Offset					
					** Operating expenses					
					* Extra-Ordinary Expense Items					
					** Extra-Ordinary Expenses					
					*** EXPENSE					
ACTUAL	PLAN	VAR	VAR %	Prior Year	REVENUE / COST ELEMENTS					
					* PROFIT / LOSS					
					* SELF SUFFICIENCY %					

This example shows most of the major financial categories used by the F&FR Programs.

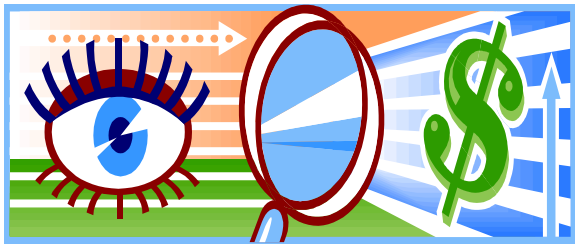
These are the sub-total and total elements that a manager should regularly monitor to determine if operational alternatives are indicated.

Financial Analysis,
Page 1 of 16



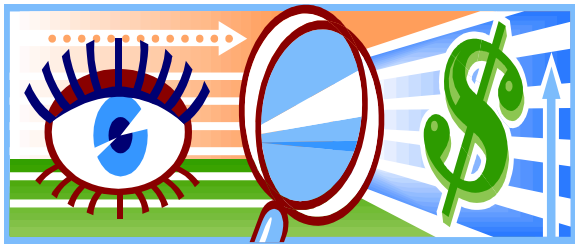
- Log into SAP AIMS and navigate to the Budget Performance Activity Report
- Enter applicable query data:
  - Fiscal Year
  - Period (months) you want to examine
  - Cost Center of Cost Center Group code
- Print out a report for your group and each Cost Center in the group (G&A is a separate Cost Center)

Financial Analysis,



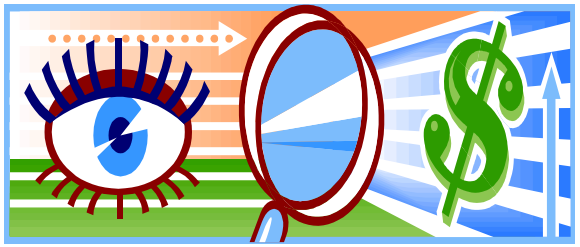
- Gather applicable subsidiary records
  - Vendor invoices
  - Point of Sale summaries
  - Daily Activity Report Summaries (DARS)
  - Labor Reports form your timekeeping system
  - Work Schedules
  - End-of-Month Inventories
  - etc

Financial Analysis,
Page 3 of 16



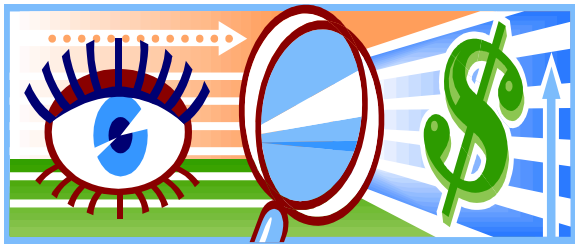
- You will look for unacceptable variances in two columns:
  - First, Current Year-to-Date
  - Then, Current Month
- Unacceptable data are variance percentages above 10% or <u>below</u> -10% (10 with a trailing minus sign)
  - These signal a need for further examination (drilling)

Financial Analysis,
Page 4 of 16



- SAP AIMS gives you the ability to Plan (budget) each Revenue and Cost element
  - Annually
  - Period
- In the “overview” method, SAP AIMS annualizes the budgeted figure equally in each period (month)
- In the “period” method, you enter a specific revenue and expense budget amount in the months as anticipated

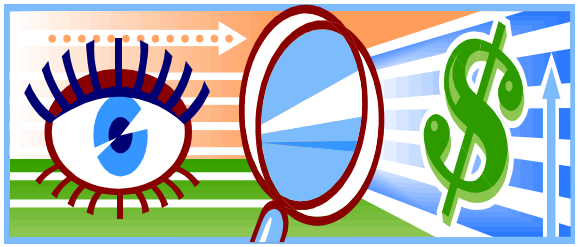
Financial Analysis,
Page 4 of 16



- When the overview method is used, you would expect reasonably stable budget performance

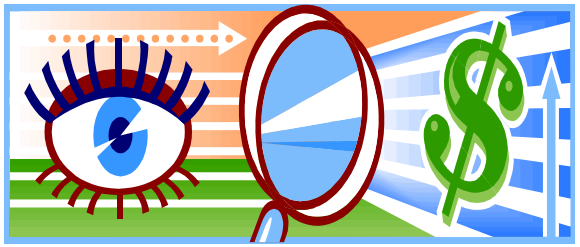
- When the period method, you would expect peaks and valleys in the budget performance

Financial Analysis,
Page 5 of 16



- When examining the Budget Performance Activity report, remember how the budget was planned.
  - If the period method was used, allow for “planned” highs and lows in the appropriate accounts

Financial Analysis,
Page 6 of 16

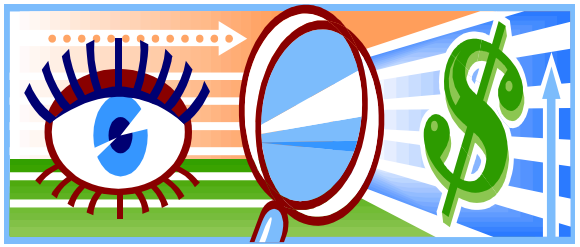


- Working from the top of the report to the bottom, look for unacceptable variances in:
  - Revenue
  - Expense
  - Profit/Loss
  - Self-Sufficiency

Note:

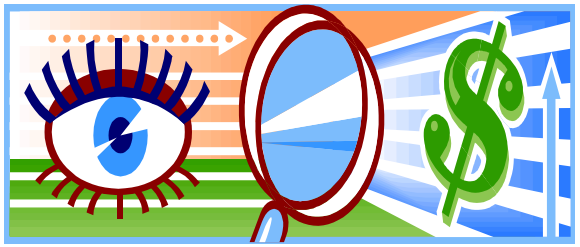
- When revenue exceed costs you are both profitable and self-sufficient. ☺
- When costs exceed revenue you are neither profitable nor self-sufficient. ☹

Financial Analysis,
Page 7 of 16



- Use the specific Cost Center reports, not the Group report – it rolls the individual Cost Center data and may mask unacceptable performance of a particular revenue or cost element in one or several of the individual Cost Centers
- Starting with Revenue scan down the Current Year to Date, Variance Percentage (VAR %) column and highlight any of the items preceded with an asterisk (*) that has a variance greater than 10% BELOW plan Example: 13- (means -13%) See notes page
  - Don't be confused by the "contra" accounts like Sales Discounts – remember to mentally reverse these percentages

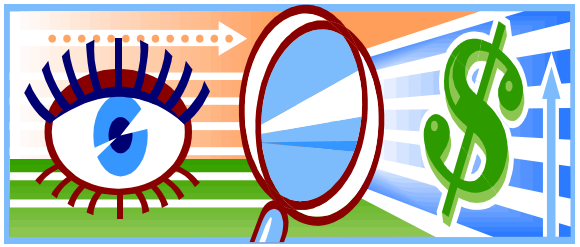
Financial Analysis,
Page 8 of 16



- Continue with the Cost elements in the Current Year to Date, Variance Percentage (VAR %) column
- Highlight any of the items preceded with an asterisk (*) that has a variance greater than 10% ABOVE plan

  Example 13- (means -13%)
  - Don’t be confused with the “contra” UFM accounts (elements) like 752000 through 759999 – remember to mentally reverse these

Financial Analysis,
Page 9 of 16



- Under the column Current Year to Date, highlight the items Profit/Loss and Self Sufficiency if they have a variance percentage more than 10% BELOW Plan.
  See notes page

  Example: 15- (means -15%)

Financial Analysis,
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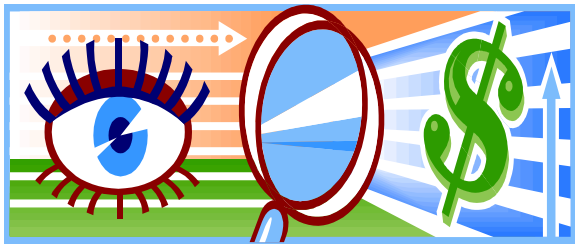
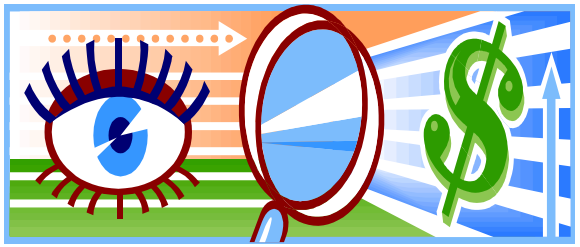


- Now, shift your focus to the Revenue dollar figures in the Current Year to Date Actual column
  - Compare the Revenue elements preceded with a single asterisk (*) to the Prior Year to Date figures at the far right column

IF	THEN
Current YTD actual is **lower** than the prior year	Highlight the dollar figure and record the word “Worse” on the report.
Current YTD actual is approximately the same or better than the prior year	This is favorable.

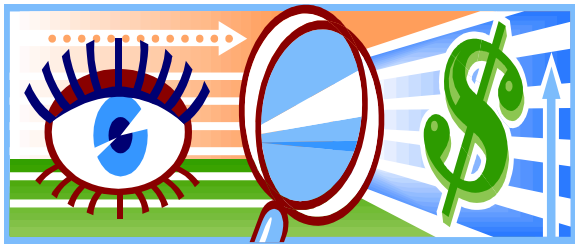
Financial Analysis,
Page 11 of 16



- Repeat the process for the Cost dollar figures in the Current Year to Date Actual column
  - Compare the Cost elements preceded with a single asterisk (*) to the Prior Year to Date figures at the far right column

IF	THEN
Current YTD actual is **higher** than the prior year	Highlight the dollar figure and record the word “Worse” on the report.
Current YTD actual is approximately the same or better than the prior year	This is favorable.

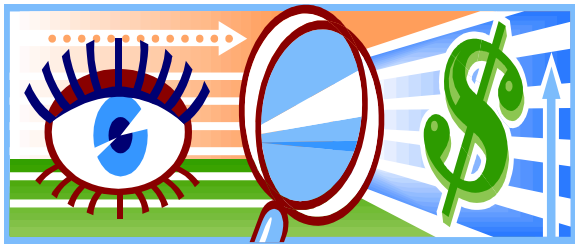
Financial Analysis,
Page 12 of 16



- Repeat the process for the Net Profit and Self Sufficiency account line figures in the Current Year to Date Actual column

IF	THEN
The current actual “profit” figure in the Profit/Loss or the “Percent” figure in the Self Sufficiency line is **lower** than the prior year	Record the word “Worse” on the report.
The current actual “profit” figure in the Profit/Loss or the “Percent” figure in the Self Sufficiency line is approximately the same or	This is favorable.

Financial Analysis,
Page 13 of 16



- Assess each item you've highlighted
  - Consider the materiality of the dollar variance between the recommended +/- 10% -- your judgment will be based on the account's relative importance and amount
- Note account elements on the report that have actual figures, but no budget (Plan) figures and vice versa … Why is this?
- Look for and note any totally unexpected data … Typically posting errors
- Repeat these processes for each cost Center

Budget Performance Activity Report, Page 14 of 16

Analyzing Financials

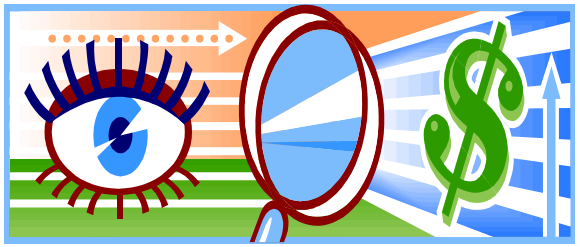
Report: ZVK/ZC01B — BUDGET PERFORMANCE ACTIVITY REPORT — Page: 1 of 1
Name: HQ_P654C — Period 8 Ended May FY 2004 — Date: 07/29/2004
Cost Center or Group: 381 NAVSTA GREEN SEA BOWLING PROG
RAMCAS Activity: 00..ZZ

CURRENT MONTH						CURRENT YEAR TO DATE				
ACTUAL	PLAN	VAR	VAR %	PRIOR YEAR	REVENUE ELEMENTS	ACTUAL	PLAN	VAR	VAR %	PRIOR YTD
10,044	11,046	1,002-	9-	10,190	501000 PROGRAM REVENUE	120,360	135,158	14,798-	11-	123,778
132-	67-	65-	97	139-	503000 OTH SALES DISCOUNT P	616-	533-	82-	15	564-
9,912	10,979	1,067-	10-	10,052	* PROGRAM REVENUE	119,744	134,625	14,881-	11-	123,214
843	1,430	587-	41-	874	592000 AMUSE/VEND MACH COMM	7,722	12,601	4,879-	39-	9,404
843	1,430	587-	41-	874	* COMMISSIONS	7,722	12,601	4,879-	39-	9,404
					569000 OTHER REVENUE					29
					571000 COMM SPONSORSHIP	500		500		
					* OTHER REVENUE	500		500		29
10,756	12,410	1,654-	13-	10,926	** OPERATING REVENUE	127,966	147,266	19,260-	13-	132,647
10,756	12,410	1,654-	13-	10,926	*** REVENUE	127,966	147,266	19,260-	13-	132,647
ACTUAL	PLAN	VAR	% VAR	PRIOR YEAR	COST ELEMENTS	ACTUAL	PLAN	VAR	% VAR	PRIOR YTD
8,549	8,085	464-	6-	9,652	601000 SALARIES & WAGES	68,094	63,930	4,164-	7-	69,531
5		5-		11	601001 PAYROLL OVERTIME EXPENSE	1,976		1,976-		258
483	645	162	25	724	621000 EMPLOYER'S SHARE OF FICA	4,513	5,115	602	12	6,340
191	170	21-	12-	299	622000 ANNUAL LEAVE EXPENSE	2,096	1,345	750-	56-	1,836
417		417-			623000 SICK LEAVE EXPENSE	2,707		2,707-		4
9,645	8,900	745-	8-	10,686	* SALARIES & BENEFITS	79,386	70,390	8,996-	13-	77,969
490	500	10	2	1,925	701000 SUPPLIES	9,385	6,500	2,885-	44-	11,973
490	500	10	2	1,925	* SUPPLIES	9,385	6,500	2,885-	44-	11,973
					681000 REPAIRS & MAINT VEH					596
	400	400	100		683000 REPAIRS & MAINTENANCE FF&E		2,200	2,200	100	
998	1,000	2	0		685000 REPAIRS & MAINT BLDG	998	4,700	3,702	79	1,9
9	1				* MAINTENANCE	9	6,90	5,902	8	2

This example highlights out variances the manager should investigate.

Other things the manager should investigate include: No Plan (budget) for 571000, Commercial Sponsorship; 601001, Payroll Overtime Expense. No expenditures against 683000, Repairs & Maintenance FF&E (with 4 months left in FY). 11-(%) variance in * Program Revenue, YTD.

Financial Analysis,
Page 15 of 16

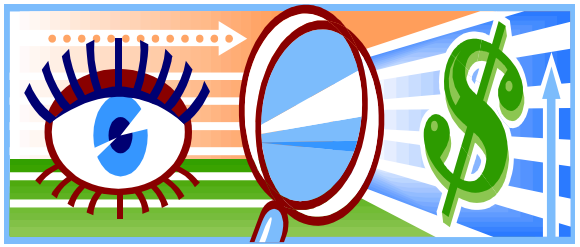


- Decide what action to take for the significant, unfavorable performance variances and / or current YTD performance that is worse than Prior YTD.

IF	THEN
You noted any "unfavorable" variances or any "worse" trends on the report	1. Verify original Plan (budget) was valid. (i.e., you started with good historical information, considered competition, inflation and other impact factors, used higher level management input, considered necessary Program/staff changes, etc.) 2. Determine if changes to Plan have occurred recently.

Continues on next page

Financial Analysis,
Page 16 of 16



- Decide what action, cont.

IF	THEN
You noted any "unfavorable" variances or any "worse" trends on the report	3. "Drill down" in AIMS for each unfavorable variance to ensure no administrative errors. (e.g., revenue and costs posted incorrectly, or posted to wrong accounts or Cost Centers, or not posted at all, etc.). See your AIMS Manager's Reporting Guide and Task 5.3, Monitor NAF & APF Budget Execution. 4. Verify findings with the local/regional Business Office. Record results on your Financial Analysis Worksheet.

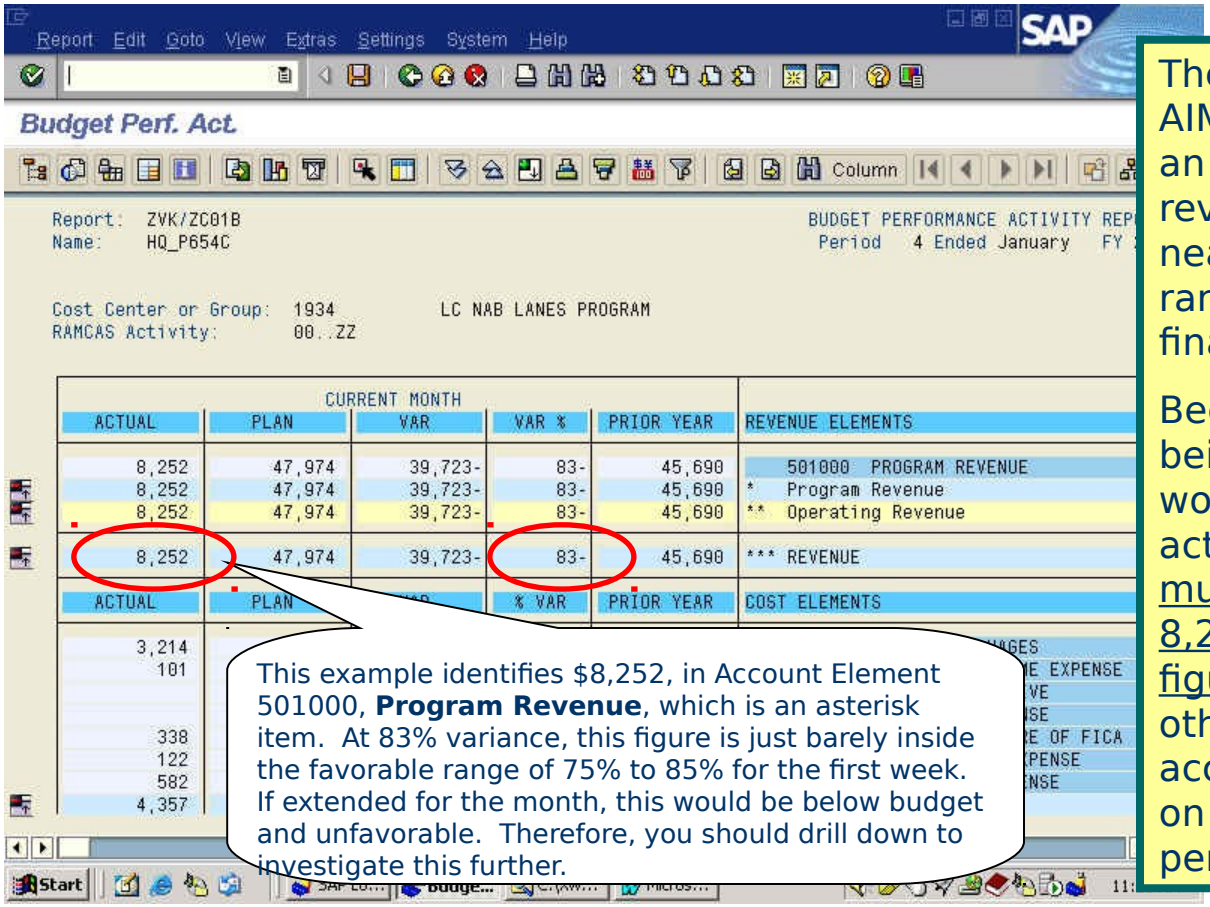
Drilling, Page 1 of 10

- A major value of SAP AIMS to an F&FR manager is the capability to examine the data that compile to the Budget Performance Activity (and other) SAP AIMS reports
- The following slides demonstrate this capability
- Upon “drilling”, assemble applicable supporting documentation (see notes page)

Drilling, Page 2 of 10

- If you are checking the prior month after that month's postings are completed, use the 10% and 10%- targets, previously discussed
- If you check your SAP AIMS data throughout the month, you need to use variance ranges relative to the week of the month (see notes page)

Drilling, Page 3 of 10-

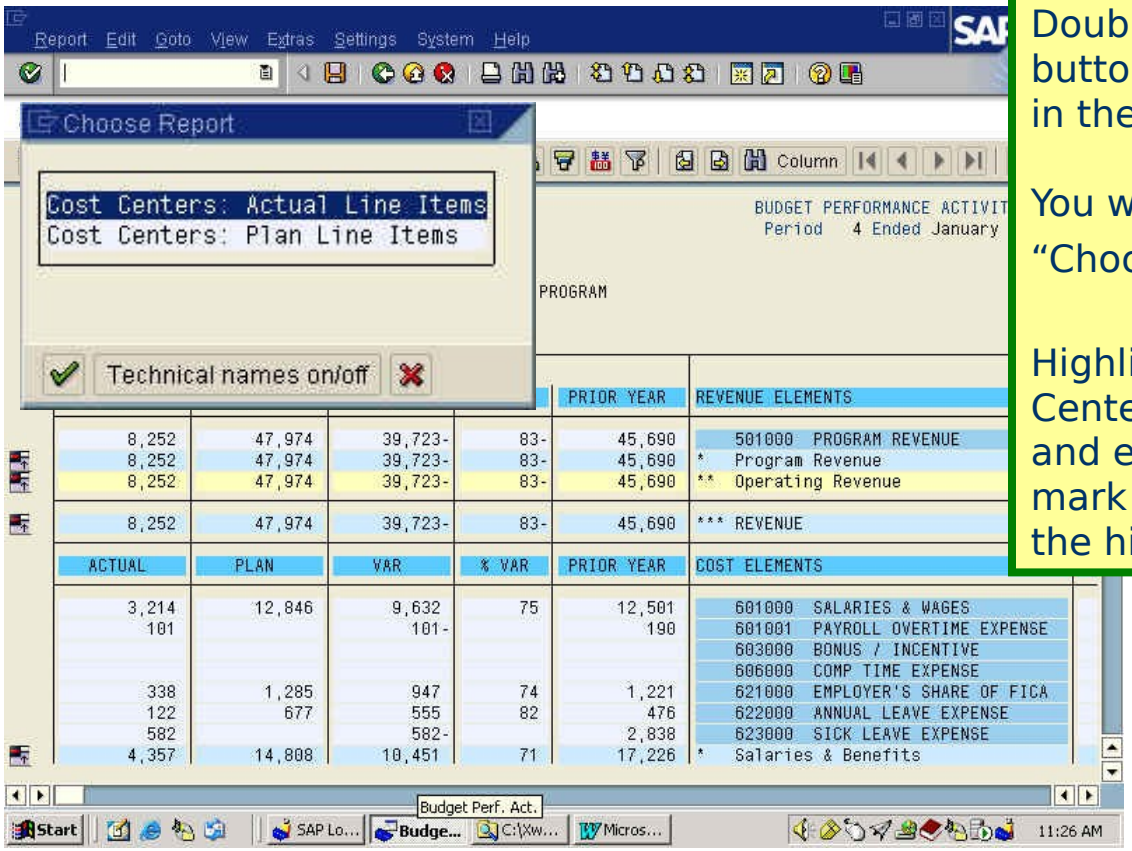

Report Edit Goto View Extras Settings System Help
SAP
Budget Perf. Act.
Column
Report: ZVK/ZC01B
Name: HQ_P654C
BUDGET PERFORMANCE ACTIVITY REP
Period 4 Ended January FY
Cost Center or Group: 1934 LC NAB LANES PROGRAM
RAMCAS Activity: 00..ZZ
CURRENT MONTH
ACTUAL PLAN VAR VAR % PRIOR YEAR REVENUE ELEMENTS
8,252 47,974 39,723- 83- 45,690 501000 PROGRAM REVENUE
8,252 47,974 39,723- 83- 45,690 * Program Revenue
8,252 47,974 39,723- 83- 45,690 ** Operating Revenue
8,252 47,974 39,723- 83- 45,690 *** REVENUE
ACTUAL PLAN % VAR PRIOR YEAR COST ELEMENTS
3,214
101
338
122
582
4,357
Start

This example identifies $8,252, in Account Element 501000, **Program Revenue**, which is an asterisk item. At 83% variance, this figure is just barely inside the favorable range of 75% to 85% for the first week. If extended for the month, this would be below budget and unfavorable. Therefore, you should drill down to investigate this further.

The screen capture from AIMS shows an example of an actual week one, revenue account that is nearly outside the target range of acceptable financial performance

Because 83% borders on being unfavorable, you would double click on the actual figure 8,252. <u>You must double click the 8,252 to drill down on that figure</u>. (Double clicking on other figures in the account line, drills down on the selected number, percentage or element.)

Drilling, Page 4 of 10


Report Edit Goto View Extras Settings System Help
Choose Report
Cost Centers: Actual Line Items
Cost Centers: Plan Line Items
Technical names on/off
Column
BUDGET PERFORMANCE ACTIVIT
Period 4 Ended January
PROGRAM
PRIOR YEAR
REVENUE ELEMENTS
8,252 47,974 39,723- 83- 45,690 501000 PROGRAM REVENUE
8,252 47,974 39,723- 83- 45,690 * Program Revenue
8,252 47,974 39,723- 83- 45,690 ** Operating Revenue
8,252 47,974 39,723- 83- 45,690 *** REVENUE
ACTUAL PLAN VAR % VAR PRIOR YEAR COST ELEMENTS
3,214 12,846 9,632 75 12,501 601000 SALARIES & WAGES
101 101- 190 601001 PAYROLL OVERTIME EXPENSE
603000 BONUS / INCENTIVE
606000 COMP TIME EXPENSE
338 1,285 947 74 1,221 621000 EMPLOYER'S SHARE OF FICA
122 677 555 82 476 622000 ANNUAL LEAVE EXPENSE
582 582- 2,838 623000 SICK LEAVE EXPENSE
4,357 14,808 10,451 71 17,226 * Salaries & Benefits
Budget Perf. Act.
Start
SAP Lo...
Budge...
C:\Xw...
Micros...
11:26 AM

Double click the left mouse button on the applicable figure in the **ACTUAL** column. (8,252)

You will see a box titled “Choose Report”.

Highlight the line “Cost Centers: Actual Line Items” and either click on the check mark icon or double click on the highlighted choice.

Drilling, Page 5 of 10

List Edit Goto Settings Extras Environment System Help

SAP

Display Actual Cost Line Items for Cost Centers

Document | Master record

Display variant	/AIMS01	Cost Center Line Item Display
Cost center	1934	LC NAB LANES PROGRAM
COarea currency	USD	US Dollar

CoCo...	Cst elemnt	Cost element name	DocT...	Posting date	ΣValueCOCur	Cost ...	Line item text
1353	501000	PROGRAM REVENUE	SD	01/04/2004	323.50-	1934	
1353	501000	PROGRAM REVENUE	SD	01/04/2004	496.50-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	1,883.00-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	548.50-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	2,332.00-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	511.75-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	523.00-		
1353	501000	PROGRAM REVENUE	SD	01/05/2004	543.75-		
1353	501000	PROGRAM REVENUE	SD	01/05/2004	484.75-		
1353	501000	PROGRAM REVENUE	SD	01/06/2004	727.75-		
1353	501000	PROGRAM REVENUE	SD	01/06/2004	219.50-		
1353	501000	PROGRAM REVENUE	SD	01/07/2004	789.00-		
1353	501000	PROGRAM REVENUE	SD	01/07/2004	272.50-		
1353	501000	PROGRAM REVENUE	SD	01/08/2004	326.00-		
1353	501000	PROGRAM REVENUE	SD	01/08/2004	927.50-		

You will get this *"Display Actual Cost Line Items for Cost Centers"* window.

This AIMS view shows the actual line items for the accounting record. It is here that you can verify that the correct element/ account, the correct Cost Center, and the dollar amount is accurate (no numbers transposed) based upon your supporting documentation. (E.g., DARs, receipts, usage data, etc.)

Drilling, Page 6 of 10

List Edit Goto Settings Extras Environment System Help

SAP

Display Actual Cost Line Items for Cost Centers

Document | Master record

Display variant /AIMS01 Cost Center Line Item Display
Cost center 1934 LC NAB LANES PROGRAM
COarea currency USD US Dollar

CoCo...	Cst elemnt	Cost element name	DocT...	Posting date	Σ ValueCOCur	Cost ...	Line item text
1353	501000	PROGRAM REVENUE	SD	01/04/2004	323.50-	1234	
1353	501000	PROGRAM REVENUE	SD	01/04/2004	496.50-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	1,883.00-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	548.50-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	2,332.00-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	511.75-		
1353	501000	PROGRAM REVENUE	SD	01/04/2004	523.00-		
1353	501000	PROGRAM REVENUE	SD	01/05/2004	543.75-		
1353	501000	PROGRAM REVENUE	SD	01/05/2004	484.75-		
1353	501000	PROGRAM REVENUE	SD	01/06/2004	727.75-		
1353	501000	PROGRAM REVENUE	SD	01/06/2004	219.50-		
1353	501000	PROGRAM REVENUE	SD	01/07/2004	789.00-		
1353	501000	PROGRAM REVENUE	SD	01/07/2004	272.50-		
1353	501000	PROGRAM REVENUE	SD	01/08/2004	326.00-		
1353	501000	PROGRAM REVENUE	SD	01/08/2004	927.50-		

When you question any of these, place the cursor pointer in the cell of information and double-click. The entire row will highlight. Double clicking takes you to “Document Overview” illustrated on the next page.

Drilling, Page 7 of 10

Document Edit Goto Settings Extras Environment System Help

SAP

Document Overview

Choose Save Tax data

Hat Icon

Doc.type : SD (DAR journal) Normal docu

Doc. number	1300014456	Company code		Fiscal year	2004
Doc. date	01/04/2004	Posting date	01/04/2004	Period	04
Ref.doc.	LC 01/04/04				
Doc.currency	USD				

Itm	PK	S	Account	Account short text	Cost ctr	Order	Assignment	Amount
1	40		101060	POS/DAR CLEARING				1,534.25
2	40		110000	CREDIT CARD CLEARING			0376100960024	402.75
3	40		135000	AR GIFT CERT				1.00
4	50		301000	RESALE REVENUE	1937			22.75-
5	50		301000	RESALE REVENUE	1938			26.50-
6	50		301000	RESALE REVENUE	1935			9.75-
7	50		501000	PROGRAM REVENUE	1234			1,883.00-
8	40		781000	ADVERTISING & PROMO	2314			4.00

The manager, in this example expected $2262 in Program Revenue. Comparing the DARs, to his local records, the manager sees that the daytime DAR was not posted.

"Document Overview" shows the input documents that were included in the accounting Revenue Element 501000 (line item) that you questioned.

Because there is an apparent discrepancy between the manager's documents and what was posted, the manager clicks the "Hat" icon.

If this information had been okay, you would stop here and back out of AIMS to Budget Performance Activity Report and check the next Revenue Element you might question. In this example you need to drill down one more screen.

Clicking the "Hat" icon takes you to AIMS display, "Document Header". →

Drilling, Page 8 of 10

Document Header: Company Code 1353

Document type	SD DAR journal		
Doc.header text			
Reference	LC 01/04/04	Document date	01/04/2004
		Posting date	01/04/2004
Currency	USD	Posting period	04 / 2004
Ref. procedure	BKPF Accounting document		
Reference key	130001445613532004	Log.System	PR2_100
Entered by	NOR_TPOLLACK	Transaction	FB01
Entry date	01/15/2004	Time of entry	10:19:06
Changed on		Last update	
Parked by			

"Document Header" shows Business Office reference data about the transaction including who posted it.

Use this screen to identify who to call about questions and concerns and to ask them to correct errors.

Reminder: The accuracy that you are confirming is transposition errors, incomplete/incorrect data, data posted to wrong element/ account or Cost Center, etc., as compared to your local records.

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- Staying in the same Cost Center printout, repeat this procedure for each Revenue Element and Cost Element for which you have a question or concern
- The Financial Decisions *training nugget* covers management actions a manager can take to correct sustained, unacceptable financial performance

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- AIMS does not track APF budget. Your business office tracks APF online or uses printed reports from the FASTDATA system
- Depending on the financial structure of your Program (F&FR Activity), you may need to track both budgets to ensure that funds are available prior to authorizing or requesting expenditures

Additional Information,

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- See the following tasks in the MWR Managers' Desk Reference:
  - 5.1 Prepare NAF Budget Projections
  - 5.2 Prepare APF Budget Input
  - 5.3 Monitor NAF & APF Budget Execution
  - 5.4 Analyze Financial Statements

Additional Information,

- Hands-On Guides for the SAP End User:
  - Overview and Navigation
  - General Ledger
  - Accounts Receivable
  - Accounts Payable
  - Procurement
  - Asset Management

Under FICO Documentation, see:

http://138.164.10.95/mwrprgms/sap/sap_training_docs_forms.htm

Additional Information,

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- SAP/AIMS training for managers
  - The Manager's Reporting Guide/Training Module

    http://138.164.10.95/mwrprgms/ramcas.htm

  - The AIMS Planning (Budgeting) Guide/Training Module

    http://138.164.10.95/mwrprgms/naf.htm#aims

That’s all for now…

Do you know where your money is?

Suggestions and requests to:

Commander, Navy Installations Command (CNIC)
F&FR Training Branch, N947
Millington, TN 38055-6540

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